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IN THE

Supreme Court of the United States

OCTOBER TERM, 1965

No. 817

CECIL L. TANSEL, assignee of the chose in action from Harris-Intertype Corporation, *Petitioner*,

v.

PHOTON, INC., *Respondent*.

PETITIONER'S REPLY BRIEF

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PETITIONER'S REPLY BRIEF

The Brief for Respondent in opposition to our Petition for a Writ of Certiorari in this cause makes three points.

1. It is alleged that the Petition should be denied because we have not presented a question as to infringement.

The decision of the Circuit Court of Appeals (Appendix to the Petition, page A-1) makes no mention whatever of infringement. We are petitioning for

a review of that decision, not the decision of the District Court.

The District Court held (R. 563-564) that "it is perfectly clear that every one of the claims charged to be infringed herein reads on the Photon machine." The District Court held that the Photon machine was different because of its use of the photocell-slit arrangement instead of the breaker point device. It necessarily follows that if Tansel invented the photocell-slit arrangement and if his patent validly covers that arrangement, reversal of the decision of the Court of Appeals would reverse the decision of the District Court.

2. The second point in Respondent's Brief is that both the District Court and the Circuit Court of Appeals held the Tansel patent invalid by application of the law of the *A.&P. Tea Co. case,* 340 U.S. 147.

This much is so. A careful reading of the District Court's opinion, however, will show that there, the question was whether the breaker point device sufficiently distinguished from the prior art.

The Court of Appeals brushed that question aside, and held that the photocell-slit arrangement also did not distinguish from the prior art. This is an entirely different ground, and one not supported at all by the record. Counsel for Photon always admitted that this photocell-slit arrangement was patentable.

3. The third point in Respondent's Brief is that Harris-Intertype did not commercialize Tansel's invention as soon as it should have. This cannot deprive Petitioner of his rights. *Continental Paper Bag Co.*

v. *Eastern Paper Bag Co.*, 210 U.S. 405, 52 L. Ed. 1122.

In the Argument of Respondent's Brief it is said that the statement of the Court of Customs and Patent Appeals as to the nature of Tansel's invention, upon which we rely, is a purely gratuitous statement outside the bounds of justiciable subject matter, and, therefore, to be disregarded.

While *obiter dictum* is not controlling in subsequent litigation, it should be respected. *Cohen* v. *Virginia*, 6 Wheaton 264, 399, 5 L. Ed. 257, 290; *Humphrey's Executor* v. *United States*, 295 U.S. 602, 627, 79 L. Ed. 1611, 1618-1619; *Gabbs Exploration Co.* v. *Udall*, 315 F. 2nd 37, 39 (CA—District of Columbia).

We admit that the decision of the Court of Customs and Patent Appeals is not *res judicata* on all of the issues raised in the suit for infringement. Infringement was not involved in the litigation in the Court of Customs and Patent Appeals.

There were certain things agreed upon in the Patent Office and in the Court of Customs and Patent Appeals, however, and where these are set forth in the opinion of the Court, they should not be treated as obiter dicta. They are in the nature of stipulations approved by the Court. They create an "estoppel by judgment," or "collateral estoppel," as those terms are explained in *Commissioner of Internal Revenue* v. *Sunnen*, 333 U.S. 591, 598, 92 L. Ed. 898, 906; and *United States* v. *International Bldg. Co.*, 345 U.S. 502, 97 L. Ed. 1182.

Counsel for Photon always agreed that the photocomposing machine having a photocell-slit arrange-

ment for controlling the timing of the flashes of light was patentable.*

The question of whether Tansel was entitled to a patent on a machine using a photocell-slit control for the flashes of light was squarely before the Court of Customs and Patent Appeals. That was the "device in issue."

Tansel's original application for patent, Serial No. 604,474 filed in 1945, had only one arrangement for controlling the flashes of light. This was a photocell-slit arrangement. The question before the Court of Customs and Patent Appeals was whether he was entitled to the benefit of the disclosure in that application. The Court said:

> "Tansel filed his original application No. 604,474 July 11, 1945, the specification and drawings of which disclosed the *photo-electric flash control device in issue.*"
>
> —Quoting from 215 F. 2nd 459 and Appendix, page A-8, to the Petition herein.

The Court of Customs and Patent Appeals ruled that Tansel was entitled to the benefit of the earlier

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* The District Court did not hold that the machine with the photocell-slit control was not patentable. Indeed, the District Court held that the Photon commercial machine was different from Tansel's because it had the photocell-slit control; that this control was what made it a commercial success; and that because of this control Photon did not infringe the Tansel patents. See District Court's Opinion, R. 564-569.

In so holding, the District Court overlooked Tansel's disclosure of the photocell-slit arrangement, and overlooked Claim 12 (R. 600) of the Tansel patent upon which review is here sought. Claim 12 specifically calls for a "precise control device" which "includes a photocell and means (such as slits) for modifying the amount of light received by said photocell."

disclosure. Any judicial pronouncements made with respect to the machine there disclosed admitted by both litigants to be patentable, surely should not be treated as mere *obiter dicta*. *Cromwell* v. *Sac County*, 94 U.S. 351, 24 L. Ed. 195; *Hot Springs Coal Co.* v. *Miller*, 107 F. 2nd 677, 681 (CA-10); *Minnesota Mining & Mfg. Co.* v. *Technical Tape Corp.*, 313 F. 2nd 306, 309 (CA-7).

In the contest between Tansel and Higonnet et al. in the Patent Office, Higonnet et al. brought a Motion to Dissolve on the ground of non-patentability (PX-54, page 479). The Examiner held that the machine claimed was patentable, and denied the Motion (PX-54, page 508). Under the rule of *Morgan* v. *Daniels*, 153 U.S. 120, 124-125, 38 L. Ed. 657, 658-659, this decision of the Examiner, being in a contested case, is entitled to considerable weight.

What is more important here, however, is the fact that the Motion brought on behalf of Higonnet et al. was based on the contention that Tansel was not entitled to the benefit of his disclosure in his early application No. 604,474 filed in 1945. See particularly the "NOTICE" (PX-54, page 483) accompanying the Motion to Dissolve.

It was always admitted, nay, *proclaimed* on behalf of Higonnet et al. in the Patent Office and in the Court of Customs and Patent Appeals that the machine which had the photocell-slit control was an invention of a high order. The quotations from the CCPA record on pages 15-16 of our Petition herein show this to be so. Further, this was admitted to be so by Counsel for Photon when he addressed the District Court. See quotations on pages 10 and 11 of our Petition herein.

On the question of the patentability of a machine having the photocell-slit control, it cannot correctly be said that the difference of opinion between the Circuit Court of Appeals and the Court of Customs and Patent Appeals is based upon a materially different record. The situation, on this issue, was not "vitally altered" in the suit for infringement. Cf. *Commissioner* v. *Sunnen,* 333 U.S. 591, *supra.* No really different prior art was brought to the attention of the District Court than was before the Patent Office and the Court of Customs and Patent Appeals.

The only prior art alleged to be different is the book, "Flash," published in 1939, explaining the Edgerton inventions on flash photography. But the Edgerton inventions on flash photography were considered by the Patent Office, although not in exactly the same form as presented to the District Court. The Patent Office Examiner considered Edgerton's patent No. 2,186,013 granted in 1940, and, indeed, once based a rejection of some Higonnet et al. claims upon it. See PX-54, pages 203 and 225. Then the Examiner withdrew the rejection when Counsel for Higonnet explained (PX-54, page 233) that "high speed flash photography as exemplified by the Edgerton patents" do not negative patentability in a photocomposing machine because "the problems are entirely different." Counsel then explained why they were different. See PX-54, pages 233-234.

Thus, the matter thought to be in dispute, and ruled upon as decisive by the Court of Appeals for the First Circuit, was actually first presented and ruled upon by the Court of Customs and Patent Appeals. Because the decisions of the two Courts of Appeals are

in direct conflict on this matter, and because it is most important that conflicts between the Circuit Courts of Appeals and the Court of Customs and Patent Appeals on the question of patentability be resolved, the Petition for the Writ of Certiorari herein sought should be granted.

Respectfully submitted,

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SERVICE

Service of this Petitioner's Reply Brief has been made upon Respondent by mailing two copies air mail and two copies regular first class mail to Melvin R. Jenney, Esq., 24 School Street, Boston, Mass., 02108, its attorney this day of January, 1966.

—Attorney for Petitioner